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Photo facing page: BC Housing's Board of Commissioners
On landing l–r: Jeff West, John Colbourne, Nora Curry
Standing l–r: Jim O'Dea (Chair), Mervyn Kenally, Bob Friedland, Judy Villeneuve, Celeste Feng, Marleen Morris, Mike Walker
Seated l–r: Keith Goudvis, Victor Wong, Jim Hilton
Not pictured: Lily Chow, Jacqueline Johnson

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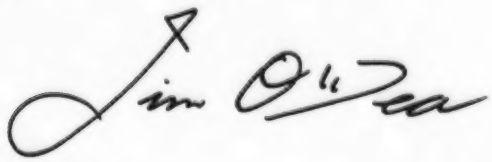
November 1, 1999

Moe Sihota
Minister of Social Development and Economic Security
Province of British Columbia

Minister:

I have the honour to submit for your approval the Annual Report of the British Columbia Housing Management Commission for the year ending March 31, 1999.

Sincerely,



Jim O'Dea
Chair

November 1, 1999

The Honourable Garde B. Gardom
Lieutenant-Governor of the Province of British Columbia

May it please Your Honour:

I have the pleasure to present the Annual Report of the British Columbia Housing Management Commission for the year ending March 31, 1999.

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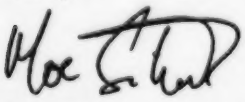


Moe Sihota
Minister of Social Development and Economic Security

Message from the Minister

A place to call home means everything. Without a home it is hard to have health, employment, and a sense of belonging in your community.

In British Columbia, rising land and development costs have placed housing affordability out of the reach of many families and individuals who are struggling to get ahead. Make no mistake: it is not only the individual without a home who suffers. The entire community suffers because our health and our economic stability are eroded.

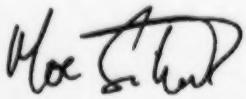
It's also important to realize that while the need for affordable housing is at critical levels in areas such as Vancouver's Downtown Eastside, this need exists in varying degrees in communities throughout British Columbia.

As government, our goal is to provide affordable housing and support families and individuals who are reaching for a better future. Through the provincial housing agency, BC Housing, we are making progress in achieving this goal.

When the federal government cut funds for new social housing in 1994, British Columbia was one of only two provinces to continue funding the construction of new social housing under a comprehensive program. We've stayed committed to the principle that decent housing is crucial for people to be able to work and contribute to their communities.

Through the HOMES BC program, we fund a minimum of 600 new housing units each year. However, thanks to a number of partnerships we have been able to exceed this minimum quite dramatically. In 1998/99 we allocated funds for more than 800 new homes for families, seniors, people with special needs, and low-income singles. As well, we fulfilled the commitments of previous years by completing construction of more than 1,000 affordable housing units allocated in previous HOMES BC funding years.

While we can be proud of this year's accomplishments, we still have a long way to go. The need for affordable housing remains high. With our partners in the housing sector, this government is committed to building a better future for all British Columbians. Working together, we can create more opportunities for all to enjoy safe, secure and affordable housing.



Moe Sihota
Minister

Message from the Chair

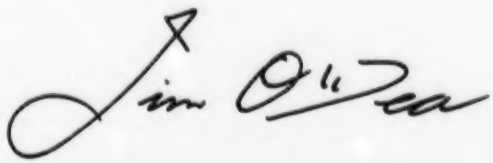
Affordable and secure housing is vital to healthy communities and individual dignity – it provides a foundation from which families and individuals can build a better future. In recognition of the importance of home, dignity and community, the Board of Commissioners was active this year to reinforce these values in a number of BC Housing's key strategic areas.

In September 1998, the Board approved a set of principles developed to guide the organization. These principles clearly demonstrate the Board's emphasis on respecting community leadership and expertise and building alliances and partnerships with the housing sector and other agencies.

One step toward supporting community leadership in addressing local housing needs was the decision to change BC Housing's policy surrounding tenant referrals. As a result of this change, all tenant selection decisions are made by non-profit and co-operative housing providers using their expertise and understanding of local needs.

Through this and other partnership initiatives, the Board looks forward to the continued expansion of BC Housing's support for the housing sector.

BC Housing staff have an important role to play in implementing the plans and policies set by the Board. Through the hard work of staff, internal transitions such as the improvement to the applicant referral policy have happened smoothly and with no negative effects on the quality of service BC Housing delivers. This reflects what I believe to be a deep commitment among staff to integrity, quality and competence in their work, and to respecting the rights of all families and individuals to a safe and secure home, respect and dignity.



Jim O'Dea
Chair
On behalf of the Board of Commissioners

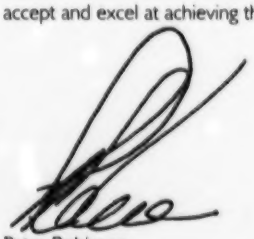
Message from the CEO

I am pleased to present BC Housing's 1998/1999 Annual Report. This report highlights BC Housing's ongoing efforts to address housing needs across British Columbia by working with partners to provide a range of options. From funding the development of new housing through HOMES BC and supporting non-profit societies and co-operatives, to administering rent subsidies and supporting grassroots education and advocacy efforts, our vision has been to work with the housing sector, other government ministries and the private sector to create homes, choices and healthy communities.

In 1998 BC Housing's HOMES BC program entered its fifth year of funding new affordable housing. This program allows us to proactively address housing needs in the province, and I'm gratified that in the first four years we've been able to build or allocate 3,900 units of affordable housing for low- and moderate-income British Columbians, and plan for even more units in the future. I believe it is this continuing commitment that has allowed British Columbia to escape some of the critical homelessness issues experienced in other parts of the country.

BC Housing also continues to be an accountable organization – open and transparent in our administration of public funds and accountable to the communities where we are active. We are working with BC Housing's Board of Commissioners to develop a new corporate planning process that will demonstrate what we want to achieve each year and how we intend to achieve it. I look forward to reporting on the results of this planning in 1999/2000.

This report captures some of the major programs and services we deliver, and reports on the outcomes achieved. Each positive outcome is a credit to the many dedicated BC Housing employees who work both with each other and with our many partners to deliver a consistently high quality of service and product. To those employees I would like to extend my congratulations on a job well done and my confidence that we will accept and excel at achieving the challenges of the future.



Peter Robinson
CEO

Mandate

As the government agency responsible for the delivery of provincial social housing programs, BC Housing's mandate is to facilitate the delivery of secure, well-managed, affordable housing for people who cannot otherwise access suitable housing. This is accomplished by:

- Working with non-profit societies, co-operatives, other government ministries and development resource groups to create new housing initiatives in response to community needs through the provision of construction financing and the administration of construction projects under HOMES BC;
- Providing management support for approximately 300 group homes and special needs residences across the province, as well as the development of new group homes on behalf of other provincial ministries;
- Providing direct management for almost 8,000 units of public housing and administering operating agreements with 550 non-profit societies and housing co-operatives across the province, encompassing almost 26,000 units of social housing;
- Maintaining applicant registries and allocating housing in the directly managed stock according to applicant need and the availability of suitable accommodation; and,
- Delivering more than 15,000 rent subsidies under the Shelter Aid For Elderly Renters program, Supported Independent Living Program, and other rent supplement programs.

Governance

A Board of Commissioners, currently made up of 15 members from across the province, is responsible for setting BC Housing's overall policy direction and overseeing the implementation of strategic initiatives. The Board is appointed by the Minister Responsible for Housing and is led by a full-time Chair who reports directly to the Minister.

Strategic Planning

A review of BC Housing's strategic direction was started by the Board of Commissioners that will see a new Corporate Plan in place for 1999/2000.

Guiding Principles

BC Housing's guiding principles were adopted by the Board of Commissioners on September 19, 1998, and were subsequently revised and refined to the following:

- Building alliances and partnerships
- Respecting community leadership and expertise
- Protecting the public investment in social housing
- Community participation
- Respect and responsiveness
- Creativity, innovation and teamwork
- Diversity of people and ideas
- Maintaining the highest standards of integrity, quality and competence.

Office of the Chair

The office of the Chair supports BC Housing's Chair and Board of Commissioners. The office assists the Board through organizing and recording board meetings and providing related administrative support, liaising with the Minister's Office, other ministries, and BC Housing staff, assisting in the development and implementation of board initiatives and policies, and liaising with tenants and members of the housing sector on behalf of the Board.

Office of the CEO

The office of the CEO is responsible for ensuring the delivery of high quality services and programs that are responsive to client needs. In addition to overall administrative responsibility for the staff and operations of BC Housing, the office of the CEO works closely with the Board to implement policies and strategic initiatives. The office of the CEO includes Corporate Affairs and Corporate Communications.

Client Services Branch

The Client Services branch focuses on BC Housing's commitment to developing and facilitating access to well-managed, affordable housing. Through its four departments, the branch works with tenants, applicants, advocacy groups and our non-profit and co-operative housing partners providing services such as the housing registry, shelter subsidy programs including Shelter Aid for Elderly Renters (SAFER); administrative and financial services to the non-profit and co-op housing sector and the Provincial Rental Housing Corporation (PRHC) group home portfolio; and education and management support services to new housing providers. The branch also supports tenants and their children through Tenant Association Grants and a student bursary program.

Corporate Services Branch

The Corporate Services branch provides the support services necessary for the delivery of programs and services across BC Housing. Corporate Services includes purchasing, information systems, legal services, research and planning, office services and records management.

Development Services Branch

The Development Services branch works in partnership with non-profit societies and co-operatives to deliver the provincial housing program HOMES BC. The branch also facilitates other affordable housing initiatives in response to community needs, and develops group homes for other ministries. Development Services includes real estate, technical and project management services.

Financial Services Branch

The Financial Services branch oversees all financial activities of BC Housing and the Provincial Rental Housing Corporation (PRHC) including construction financing, investment, budgeting, accounting, payroll and mortgage administration.

Personnel and Labour Relations Branch

The Personnel and Labour Relations branch provides services to staff and management in areas such as recruitment, labour relations, negotiations, compensation, job evaluation, benefits, training, employment equity, research, policy analysis, and occupational health and safety.

Regional Operations Branch

Through five regional and two area offices located in various communities across the province, the Regional Operations branch provides direct management services for almost 8,000 units of public housing as well as approximately 300 group homes on behalf of other ministries, and provides administrative and technical support for housing managed by non-profit societies and co-operatives. As well, the branch coordinates tenant programs in BC Housing's directly managed portfolio including the People, Plants and Homes program that encourages tenants to become involved in a range of urban gardening activities, and the Student Tenant Employment Program (STEP), developed in conjunction with the Red Cross, which is designed to increase the employability of youth living in BC Housing developments.

Provincial Rental Housing Corporation

The Provincial Rental Housing Corporation (PRHC) is the land-holding corporation for provincially-owned social housing.
BC Housing administers PRHC, which buys, holds and disposes of real property, and leases residential properties to non-profit societies and co-operatives for housing developments. In 1998/99, PRHC owned $331 million in real estate.

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Increased affordable housing stock – HOMES BC

HOMES BC is the provincial government's comprehensive housing program. It supports the construction of affordable housing for low- and moderate-income households through loans and ongoing operating subsidies to non-profit societies and co-operatives, and supports housing advocacy through grants. HOMES BC includes three development components: non-profit housing for families, disabled persons, and seniors; housing for individuals who are homeless or at risk of becoming homeless (including second stage housing); and demonstration projects for lower income urban singles.

Introduced in 1994, the program is committed to the development of at least 600 new social housing units each year – the provincial contribution to social housing prior to the withdrawal of the federal government from financing new social housing.

In order to increase the number of units developed through HOMES BC, BC Housing has encouraged partnerships with municipalities, non-profit housing providers and others. These partnerships, in which organizations provide equity in the form of land, cash, materials or labour, have realized substantially higher numbers of units than would otherwise be possible. Since 1994, 1,900 out of 3,900 HOMES BC units were built as a direct result of equity partnerships.

In 1998/99, construction was completed on more than 1,000 HOMES BC units committed from previous program years. Thirty-five developments opened across British Columbia, providing homes for families, seniors, people with special needs and lower income urban singles. In addition, conditional funding was allocated to 850 new units.

Outcomes

- Completed construction of safe, affordable housing for 1,060 households.
- Conditionally approved 850 new units for future construction.
- Simplified administration of the program, providing greater flexibility for housing societies.
- Published *Introduction to HOMES BC Development Opportunities* to help societies with the process of seeking funding.
- Released *1998 Non-Profit Development Guidelines*, in addition to printed copies, the development guidelines were made available on the BC Housing website for the first time.

HOMES BC housing that opened across British Columbia in 1998/99*

Type of Housing	Number of Developments	Number of Units
Family	19	667
Seniors	6	179
Special Needs	8	145
Lower Income		
Urban Singles (LIUS)	2	69
TOTAL	**35**	**1,060**

* Units and developments allocated in previous HOMES BC funding years that completed construction and opened for tenants in 1998/99.

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1998/99 HOMES BC Conditional Allocations+

Municipality	Society	Type of Housing	Number of Units
Burnaby	Burnaby Association for the Mentally Handicapped	Mixed Family and Disabled	45
Burnaby	The New Vista Society	Seniors	39
Golden	Canadian Mental Health Association for the East Kootenay	Family	30
Grand Forks	Grand Forks and District Housing Operating Society	Family	25
Kamloops	John Howard Society of the Thompson Region	Lower Income Urban Singles	18
Kamloops	Kamloops and District Elizabeth Fry Housing Society	Family	46
Lake Country	The Society of Housing Opportunities and Progressive Employment	Mixed Family and Seniors	52
Langford	Capital Region Housing Corporation	Family	30
Mission	Mission Native Housing Society	Special Needs	23
Nanaimo	Nanaimo Youth Services Association	Special Needs	21
New Westminster	Pioneer Community Living Association	Special Needs	23
North Vancouver	RCL 118 Housing Society	Seniors	33
Passmore	The Slocan Valley Seniors' Housing Society	Seniors	10
Port Coquitlam	Port Coquitlam Senior Citizens' Housing Society	Seniors	30
Prince George	Prince George and District Elizabeth Fry Housing Society	Family	40
Richmond	False Creek Residence Society	Mixed Family and Disabled	20
Vancouver	Affordable Housing Non-Profit Rental Association	Family	60
Vancouver	City of Vancouver Public Housing Corporation	Lower Income Urban Singles	100
Vancouver	Katherine Sanford Housing Society	Special Needs	18
Vancouver	Main and Hastings Housing Society	Lower Income Urban Singles	84
Vancouver	LTD Homes Society and Coast Foundation Society (1974)	Mixed Family and Special Needs	30
Victoria	Oak Bay Kiwanis Rose Manor Society	Seniors	28
Victoria	The Victoria Cool Aid Society	Lower Income Urban Singles	45
TOTAL			850

+ Units in proposed developments that have reached the stage of "Conditional Allocation", in which funding is committed provided that certain remaining conditions are met. (Conditions can include requirements such as municipal rezoning, development permits, land purchase and public hearings).

Healthy, active and inclusive communities – Community Housing Initiatives

The Community Housing Initiatives (CHI) component of HOMES BC focuses on increasing the capacity of communities to identify and take action on housing issues at the local level.

The CHI objectives are:

- to provide public information, education, training, tools and strategies, and community organizing services aimed at promoting affordable housing, with particular focus on the needs of low and moderate income renters,
- to identify strategies to increase the number of households with adequate and affordable housing,
- to build skills and abilities of community groups to preserve and expand the stock of affordable housing,
- to address broad affordable housing issues including NIMBY (Not In My Back Yard), standards of maintenance by-laws, secondary suites and municipal housing committees.

CHI grants are awarded annually through a province-wide proposal call, with funding provided for specific time-limited activities. Since 1994, over 150 CHI grants have been awarded to grassroots organizations in communities throughout the province. In particular, nine regional housing centres across the province receive ongoing grants to create a network of agencies which know and understand local housing needs and are committed to meeting those needs.

Outcomes

- In 1998/99 CHI program grants totalled $600,000.
- Nine regional housing centres were awarded grants totalling $500,000 in September 1998.
- $96,000 was awarded for time-limited projects intended to foster community partnerships and to promote flexible responses to local housing needs.
- $4,000 was awarded for a regional housing centre conference held in Vancouver in March 1999.
- Advocacy work underway through the regional housing centres includes a range of housing-related services aimed at increasing affordable, adequate and appropriate housing for renters. Additional support was made available to community-based housing organizations to promote community development, public education and advocacy, research initiatives and training activities.

1998/99 Regional Housing Centres grants include:

- The Advocacy Centre, Nelson ($50,000)
- Okanagan Tenant Advocacy Society, Kelowna ($50,000)
- Active Support Against Poverty, Prince George ($50,000)
- Kamloops Active Support Against Poverty, Kamloops ($50,000)
- Terrace Anti-Poverty Group Society, Terrace ($50,000)
- Nanaimo Volunteer and Information Centre Society, Nanaimo ($50,000)
- Tenants' Rights Action Coalition and South Fraser Community Services Society representing the Lower Mainland outer suburbs and the Fraser Valley ($50,000)
- The Lower Mainland Network for Affordable Housing representing Vancouver and inner suburbs ($75,000)
- Capital Families Association representing Greater Victoria ($75,000)

Well-managed, sustainable housing stock – Modernization and Improvement Program

The Modernization and Improvement Program (M&I) is designed to protect the public investment in social housing. It contributes to a process of continuous improvement to social housing developments managed and administered by BC Housing by repairing problem areas such as roofing and flooring, and modernizing appliances and fixtures. The oldest public housing in the province is almost 50 years old and requires inspection and ongoing maintenance to ensure its preservation and a safe living environment for tenants. The program enhances the tenants' quality of life as well as the longevity of the developments.

In 1998/99 more than $7.6 million was spent on developments directly managed by BC Housing and $3.6 million for those operated by non-profit societies.

Modernization and Improvement capital project expenses in 1998/99

BC Housing's directly-managed portfolio	$7,661,536
HOMES BC developments	256,207
Other non-profit developments, including Provincial Rental Housing Corporation (PRHC) group homes	3,345,838
TOTAL	**$11,263,581**

Selected examples of 1998/99 Maintenance and Improvement projects:

Burns Lake

- Upgraded the drainage system at McKenna Place.

Kamloops

- Installed a fire protection system at Kamloops Home Support Services' Barierre House.

Kelowna

- Replaced walkways at Father Delestre Senior Citizens' Society's Father Delestre Home.

Merritt

- Installed fire doors at Tradewinds Terrace.

Vancouver

- Repainted exterior at Skeena Terrace.
- Repiped Grandview Terrace and Steeves Manor.
- Replaced playground equipment at Stamps Place.
- Installed security systems at the Sunrise and Washington hotels.

Victoria

- Renovated suites at Rose Manor.

Cordova House

The largest M&I project of 1998/99 was the renovation of Cordova House, a 66-unit development in Vancouver's Downtown Eastside. Almost $1 million was invested to convert the building to a room-and-board residence for hard-to-house lower income urban singles.

Renovations to the 22-year-old building included improved wheelchair access and building security, the creation of a common amenity space, a larger dining room, an elevator upgrade, additional common shower rooms and laundry facilities. Building systems such as heating, ventilation, fire alarms and sprinkler systems were reviewed and upgraded as necessary.

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Working with non-profit societies and co-ops

Non-profit societies and co-operatives play a leadership role in the provision of affordable housing in communities throughout the province. Through programs such as HOMES BC, non-profit societies and co-ops can develop projects best suited to local needs by identifying those needs at the community level. In 1998/99, BC Housing worked with 481 non-profit societies and 72 co-ops to bring affordable housing to communities across the province. In total, BC Housing worked with non-profit societies, co-ops and other governments and agencies to provide housing assistance to 50,396 households.

In 1998/99, BC Housing provided housing to 1,078 individuals and families on our applicant registry. At the same time, the Housing Services department, which is responsible for the applicant registry, tracked a decrease of 679 people waiting to receive housing from the second quarter through to the fourth quarter of 1998/99. However, there were 10,526 applicants on the registry at the end of the year.

One of the most significant improvements at BC Housing this year was the change to BC Housing's policy of referring applicants to 25 per cent of housing units in non-profit and co-op housing developments. The change means that housing providers who in the past could select applicants from their waiting list for only 75 per cent of their housing units will, as of April 1, 1999, be responsible for 100 per cent of the tenant selection process. This will significantly improve the management and administration of their developments.

Outcomes

- 100 per cent selection of tenants and members by non-profit societies and co-operatives. The policy change will improve housing providers' ability to address the needs of households on their waiting lists and increase the ability of communities to respond effectively to local housing needs. It will also improve the ongoing operation of developments.
- Three new non-profit guides were published: *Financial Reporting Requirements*, the *Resident Relations Guide* and the *Resident Involvement Kit*.
- BC Housing actively participated in the BC Non-Profit Housing Association conference in November 1998, providing panelists, keynote speakers, and a display featuring publications and the new BC Housing website. Over 100 attendees visited the display during the conference's two days.

1998/99 Activity in BC Housing's Lower Mainland Storefront Office

Office visits	9,383
New applications	5,158
Inquiry line calls	65,513
Average calls per day	262
Average calls per hour	37

Individuals and families housed province-wide

Number of regular applicants housed	991
Average number of months on the applicant registry (regular applicants)	32
Number of priority placement* applicants housed	87
Average number of months on the applicant registry (priority placement* applicants)	13
Total number of applicants housed	**1,078**
Total number of applicants as of March 31, 1999	**10,526**

* BC Housing's Priority Placement Program offers priority access to low income women with children who are leaving transition houses.

Working with non-profit societies and co-ops

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Housing options to meet diverse needs – Rent Assistance and Supplement Programs

BC Housing administers several rent assistance and rent supplement programs for low-income tenants across British Columbia.

Shelter Aid for Elderly Renters (SAFER)

Shelter Aid for Elderly Renters (SAFER) provides rent assistance to low- and moderate-income seniors living in private market rental accommodation. To be eligible for subsidies, individuals must be over the age of 60 and paying more than 30 per cent of their income on rent. Financial assistance is based on the difference between 30 per cent of the tenant's income and the rent the tenant is paying, up to a maximum rent level.

Supported Independent Living Program (SILP)

The Supported Independent Living Program (SILP) is a supported housing program which enables people with serious mental illness to live independently in affordable, safe, self-contained living units with the assistance of outreach support services. The Adult Mental Health Division (AMHD) of the Ministry of Health funds the shelter component of the SILP, which is administered by BC Housing. Financial assistance is based on the difference between 30 per cent of the tenant's income or the applicable Ministry of Social Development and Economic Security shelter component (whichever is greater), and the rent the tenant is paying, up to a maximum rent level.

Rent Supplement Programs

BC Housing's Client Services Branch administers rent subsidies for low-income tenants in pre-approved market rental housing and non-profit and co-op housing. These subsidies enable tenants who have special needs to live with dignity in healthy environments. Subsidies are provided to tenants who live in communities where there is little or no social housing, or where they cannot be accommodated in existing social housing stock because of their special needs. Rent supplement programs are cost-shared between the provincial and federal governments, and pay the difference between 30 per cent of tenants' household income and the market rent.

Outcomes

- 12,482 seniors received SAFER subsidies averaging $134 per month.
- 8,791 SAFER clients are enrolled in a direct deposit program, with a cost savings of $6,400 per month versus printing and mailing cheques.
- 1,110 people received SILP shelter subsidies averaging $232 per month.
- 1,786 people received subsidies under a Rent Supplement Program averaging $409 per month.

Public Awareness and Information – *Affordable Housing Opens Doors*

After focus groups in early 1998 suggested a need for better public understanding of affordable and social housing issues, BC Housing embarked on a public information campaign. Called ***Affordable Housing Opens Doors***, the campaign included a number of initiatives aimed at increasing awareness about, and support of, affordable housing. The cornerstone of these initiatives is the six-part television series *Opening Doors*. The result of a partnership between BC Housing and Knowledge Network, *Opening Doors* dispels the myths associated with affordable housing and provides insight into the range of housing needs and options in British Columbia's communities.

Hosted by Suzette Meyers, former co-anchor of Global TV's News at 6, the six *Opening Doors* episodes address the topics of affordable housing, social housing, special needs housing, homelessness, creating strong communities, and partnerships and the future of affordable housing. Through one-on-one interviews with people across British Columbia, *Opening Doors* demonstrates that affordable housing is an issue everywhere, in communities large and small, and that it affects everyone.

Outcomes

- 18,000 lower mainland households watched the series launch of *Opening Doors* on the Knowledge Network on February 2, 1999. Overall, more than 100,000 viewers watched the series.
- Researched in partnership with BC Housing, the *Vancouver Sun* ran a four-part series on affordable housing entitled *Without a Home* in late February 1999.
- Visits to the BC Housing website increased after each episode aired.
- *Opening Doors* is available as a boxed set of six videos and has been purchased by organizations across Canada and the USA as an instructional tool. Orders have come from as far away as Newfoundland, the Northwest Territories, and Minnesota.
- ***Affordable Housing Opens Doors*** won an Award of Excellence from the BC Chapter of the International Association of Business Communicators. The 1999 Blue Wave Award was presented in the Community Relations Program category.
- *Opening Doors* rebroadcast on Knowledge Network in July 1999 and September 1999. Further rebroadcasts may be scheduled.

Public Awareness and Information – www.bchousing.org

Recognizing the strategic importance of the internet as a communications vehicle, in June 1998 BC Housing initiated a project to give the organization a home on the web. An informal survey was given to internal and external stakeholders to gather information about key audiences and their requirements, and the look and feel of the site.

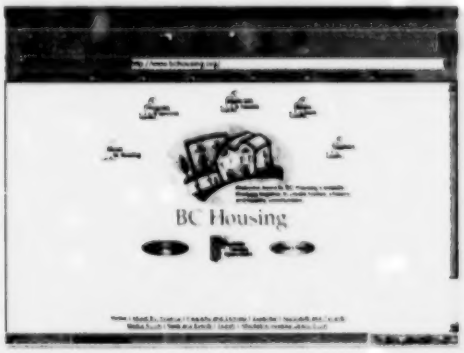
The second, or 'blueprint' phase of the project gathered and formatted content for more than 100 pages. After combining content with graphics for the site during the final development phase, the site was officially launched in November 1998.

Visitors to the site can access a range of information including employment opportunities, program and services information, applicant and tenant information, media information, research information and publications. The site also has a special section for the ***Affordable Housing Opens Doors*** information campaign.

During the first four months of operation, the number of visitors to the website increased steadily. The site has been visited by people from across Canada, the USA, the UK and as far away as Australia.

Outcomes

- From January to March, 1999 the number of visitors to the site increased steadily.
- Some 60 per cent of visitors have bookmarked the site in their web browser; 40 per cent visit the site by using a search engine. This suggests that recognition of the site is high.
- The site was featured in 'Hot Sites' in the *Vancouver Sun*.
- The BC Housing "Application for Housing" form is the most popular file downloaded from the site.



BC Housing Website Usage Highlights December 1998 – March 1999

Note: the Website launched in November 1998

	December 1998	January 1999	February 1999	March 1999
Total number of visitors:	1,177	739	1,600	2,346
Average number of visitors per day:	37	30	50	75
Average length of visit (minutes):	16	17.5	13.5	11.5
Most downloaded file:	Housing Application form-61	Housing Application form-45	Housing Application form-64	Housing Application form-76

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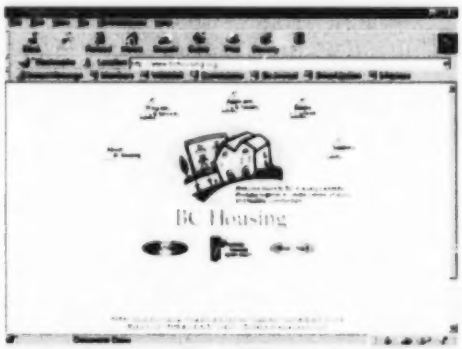

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BRITISH COLUMBIA MANAGEMENT COMMISSION FINANCIAL STATEMENTS

As at March 31, 1999 and 1998
Together with Auditors' Report

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Auditors' Report

To the Chair
British Columbia Housing Management Commission

We have audited the balance sheets of the British Columbia Housing Management Commission (the "Commission") as at March 31, 1999 and 1998 and the statements of revenue and expenditures and Province's account and changes in financial position for the years then ended. These financial statements are the responsibility of the Commission's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the Commission as at March 31, 1999 and 1998 and the results of its operations and the changes in its financial position for the years then ended in accordance with generally accepted accounting principles.

Arthur Andersen LLP
Vancouver, British Columbia

May 15, 1999

BRITISH COLUMBIA HOUSING MANAGEMENT COMMISSION

Statement of Management Responsibility

The financial statements of the British Columbia Housing Management Commission (the "Commission") have been prepared by management in accordance with generally accepted accounting principles, consistently applied and appropriate in the circumstances. The financial statements have, in management's opinion, been properly prepared within reasonable limits of materiality and within the framework of the accounting policies summarized in the notes to financial statements.

Management depends upon a system of internal controls that provide reasonable assurance, on a cost effective basis, that the financial information is reliable and accurate. The system of internal controls is monitored by internal auditors. Also, the Commission's external auditors independently perform such tests of the system of internal controls as they consider necessary for the purpose of expressing their opinion on the financial statements.

The Audit and Finance Committee, which is comprised of directors who are not employees, oversees management's discharge of its financial reporting responsibilities. The committee meets periodically with management, the internal auditors and the external auditors to discuss auditing, financial reporting and internal control matters. Both internal and external auditors have access to the Audit and Finance Committee without management's presence.

Peter Robinson
CEO

Janet Flowers
A/Director, Financial Services

May 15, 1999

BRITISH COLUMBIA HOUSING MANAGEMENT COMMISSION
Balance Sheets
As at March 31, 1999 and 1998

	1999 ($000's)	1998 ($000's)
ASSETS		
CURRENT ASSETS		
Cash	$ 1,633	$ 16,865
Prepaid expenses and shelter supplement	8,750	7,585
Accounts receivable	6,950	7,608
Due from Province of British Columbia	4,915	1,952
Due from Canada Mortgage and Housing Corporation	4,974	3,851
Current portion of mortgages receivable (note 4)	93	128
Construction loans provided to housing projects (note 3)	31,909	42,833
	59,224	80,822
DUE FROM PROVINCIAL RENTAL HOUSING CORPORATION (note 7)	3,118	–
MORTGAGES RECEIVABLE (note 4)	3,810	4,042
LONG-TERM RECEIVABLES	746	614
PROPOSAL DEVELOPMENT ADVANCES (note 5)	2,467	4,799
LONG-TERM INVESTMENTS (market value $12,090)	12,400	18,286
FIXED ASSETS (note 6)	1,019	1,125
	$ 82,784	$ 109,688
LIABILITIES AND PROVINCE'S ACCOUNT CURRENT LIABILITIES		
Accounts payable and accrued liabilities	$ 14,263	$ 17,000
Tenants' prepaid rent	549	520
Due to Provincial Rental Housing Corporation (note 7)	–	14,454
Due to Provincial Treasury (note 3)	44,297	52,134
	59,109	84,108
COMMITMENTS (note 13)		
SOCIETIES' FUNDS HELD ON DEPOSIT (note 8)	13,451	13,935
GRANTS RECEIVED IN ADVANCE OF CONSTRUCTION (note 9)	1,581	6,747
SELF INSURANCE FUNDS (note 10)	2,287	2,001
GROUP HOME REPLACEMENT FUNDS (note 11)	3,198	2,872
PROVINCE'S ACCOUNT	3,158	25
	$ 82,784	$ 109,688

The accompanying notes are an integral part of these financial statements.

Approved by the Board:

Chair **Member**

BRITISH COLUMBIA HOUSING MANAGEMENT COMMISSION
Statements of Revenue and Expenditures and Province's Account
For the years ended March 31, 1999 and 1998

	1999 ($000's)	1998 ($000's)
Revenue		
Provincial contributions	$ 96,584	$ 89,922
Federal contributions	73,193	72,450
Tenant rent	30,169	29,234
Sundry	6,419	4,660
	206,365	196,266
Expenditures		
Housing subsidies	129,374	126,633
Salaries and labour	19,691	18,382
Building mortgage costs	13,022	13,174
Building modernization and improvement	11,264	9,053
Building maintenance	7,422	6,782
Operating expenses	5,594	5,206
Utilities	5,551	5,533
Office and overhead	5,216	4,582
Grants in lieu of property taxes	4,539	4,552
Interest expense	1,560	2,358
	203,233	196,255
Excess of revenue over expenditures	3,133	11
Province's account, beginning of year	25	14
Province's account, end of year	$ 3,158	$ 25

The accompanying notes are an integral part of these financial statements.

BRITISH COLUMBIA HOUSING MANAGEMENT COMMISSION
Statements of Changes in Financial Position
For the years ended March 31, 1999 and 1998

	1999 ($000's)	1998 ($000's)
Cash provided by (used by):		
Operating activities		
Excess of revenue over expenditures	$ 3,133	$ 11
Depreciation	1,041	1,062
Changes in non-cash operating working capital	(7,301)	(862)
Cash provided by (used by) operating activities	(3,127)	211
Investing activities		
Mortgages receivable	267	(237)
Long-term receivables	(132)	(115)
Proposal development advances	2,332	(790)
Construction loans provided to housing projects	10,924	(18,897)
Long-term investments	5,886	(1,330)
Additions to fixed assets	(935)	(704)
Societies' funds on deposit	(484)	6,818
Grants received in advance of construction	(5,166)	(7,738)
Self insurance funds	286	594
Group home replacement funds	326	546
Cash provided by (used by) investing activities	13,304	(21,853)
Financing activities		
Due from/to Provincial Rental Housing Corporation	(17,572)	9,458
Due to Provincial Treasury	(7,837)	11,434
Cash provided by (used by) financing activities	(25,409)	20,892
Decrease in cash during the year	(15,232)	(750)
Cash, beginning of year	16,865	17,615
Cash, end of year	$ 1,633	$ 16,865

The accompanying notes are an integral part of these financial statements.

BRITISH COLUMBIA HOUSING MANAGEMENT COMMISSION
Notes to Financial Statements
For the years ended March 31, 1999 and 1998

1. General

Established in 1967, the British Columbia Housing Management Commission (the "Commission") is a Crown agency responsible for developing new social housing under the Province's HOMES BC program, for administering the Province's Shelter Aid for Elderly Renters program, and for administering a variety of other federal/provincial housing programs. The Commission manages public housing stock and administers agreements relating to units managed by non-profit societies. The Commission ensures that provincial housing policy is reflected in its programs and that these are delivered in a co-ordinated, cost effective manner.

The Commission and its employees contribute to the Public Service Superannuation Plan administered by the Superannuation Commission of the Provincial Government.

The expenditures and revenues of the programs administered by the Commission are reported in Schedule 1.

2. Significant Accounting Policies

a) Amortization

These statements do not include the capital cost of the projects. However, amortization on capital costs is in part payable to the Provincial Rental Housing Corporation ("PRHC") and in part credited to Canada Mortgage and Housing Corporation ("CMHC") based on schedules they provide.

b) Tenant Rent Revenue

Tenant rent revenue represents rent charged to residents, and is determined as the lesser of market rent and a percentage of each resident's income.

c) Fixed Assets

The Commission capitalizes its purchases of fixed assets at cost and depreciates them over their estimated useful lives. Both computer hardware and software are depreciated on a straight line basis over three years. All other fixed assets are depreciated on a straight line basis over five years.

3. Construction Loans Provided to Housing Projects

In its capacity as a National Housing Act approved lender, the Commission funds construction draws for societies who are building approved projects under social housing programs. These advances are repaid at substantial completion of each project from financing arranged with private lenders and CMHC. Societies are charged interest at the Province's weighted average borrowing rate for short term funds, plus administration costs. The Provincial Treasury provides funding to the Commission for the purpose of advancing loans for construction. These loans are unsecured and bear interest at the Province's weighted average borrowing rate for short term funds. The Commission has the authority to borrow up to a maximum of $110 million from the Provincial Treasury.

4. Mortgages Receivable

During 1993, an advance of $3,450,000 was made under the B.C. Rental Supply Program. This investment is secured by a second mortgage on a property and bears interest at 8% per annum during the first five years. Over the last 15 years, the effective rate is 9.58%.

During 1994, an advance of $401,000 was made under the Non-profit Housing Program, Section 95 of the National Housing Act. This investment is secured by a second mortgage on a property and bears interest at 7.81% annually over the term of 15 years.

During 1997, an advance of $200,000 was made under the HOMES BC program. This investment is secured by a first mortgage on a property and bears interest at 8% annually over the term of five years.

During 1998, three advances totalling $322,766 were made under the HOMES BC program. These investments are secured by first mortgages on properties and bear interest between 4.7% and 6.76% annually over five years.

During 1999, an advance with a balance of $177,149 was repaid.

5. Proposal Development Advances

Loan advances are made to sponsoring societies for needs studies, incorporation and site development costs. These advances are normally repaid upon project completion or remain outstanding for three years, at which time they are written-off.

6. Fixed Assets

	1999 ($000's)			1998 ($000's)
	Cost	Accumulated Depreciation	Net Book Value	Net Book Value
Computer software	$ 1,816	$ (1,685)	$ 131	$ 340
Computer hardware	1,724	(1,270)	454	450
Vehicles	503	(398)	105	121
Grounds equipment	214	(179)	35	54
Office furniture	327	(129)	198	62
Office equipment	183	(87)	96	98
Total	$ 4,767	$ (3,748)	$ 1,019	$ 1,125

7. Provincial Rental Housing Corporation

Amounts represent funds advanced for the acquisition and development of properties under the social housing programs.

8. Societies' Funds Held on Deposit

These funds represent the balance of mortgage advances held to cover various non-profit societies' construction and soft costs required to complete their projects. Interest accrues on the societies' funds at the Province's weighted average borrowing rate for short term funds.

9. Grants Received in Advance of Construction

The Commission has received funds from the Province, the use of which is restricted to the construction of specific social housing projects. The changes in these grants during the year were as follows:

	Balance Beginning of Year ($000's)	Construction Costs Incurred ($000's)	Grant Receipts or Transfers ($000's)	Balance End of Year ($000's)
1992/93 Homeless Initiatives	$ 197	$ –	$ 3	$ 200
1993/94 Homeless Initiatives	1,328	(709)	(349)	270
1994/95 Homeless Initiatives	1,785	(1,716)	(69)	–
1994/95 HOMES BC	3,410	(2,343)	(581)	486
Singles Acquisition Strategy	27	(291)	889	625
Total	$ 6,747	$ (5,059)	$ (107)	$ 1,581

10. Self Insurance Funds

These amounts are funded by the Province and CMHC, and provide for claims below the deductible amounts of insured properties and for uninsured losses.

	1999 ($000's)	1998 ($000's)
Balance, beginning of year	$ 2,001	$ 1,407
Additions	195	557
Interest earned	165	94
	2,361	2,058
Less: claims expense	(74)	(57)
Balance, end of year	$ 2,287	$ 2,001

11. Group Home Replacement Funds

These amounts are funded by the Province through the annual operating budgets for group homes and are used to fund major repairs and maintenance.

	1999 ($000's)	1998 ($000's)
Balance, beginning of year	$ 2,872	$ 2,326
Additions	1,377	1,036
	4,249	3,362
Less: expenditures for repairs and maintenance	(1,051)	(490)
Balance, end of year	$ 3,198	$ 2,872

12. Grants in Lieu of Taxes

The Commission, on behalf of the Province and CMHC, pays each municipality a grant equivalent to gross property taxes due for all residential properties and projects managed.

13. Lease Commitments

The Commission has minimum rental obligations under operating leases for office space over the next five fiscal years as follows:

	($000's)
2000	$ 1,150
2001	519
2002	497
2003	322
2004	107

BC Housing's current lease for its Home Office location expires December 31, 1999.To date, no replacement location has been found.

14. Related Party Transactions

In the normal course of operations the Commission acquired goods and services from the Province and certain crown corporations, under prevailing trade terms.

15. Development Services Expenditures

The value of the construction activity (land purchased and buildings constructed or renovated) generated by the Commission is not reflected in the Statement of Revenue and Expenditures and Province's Account. This construction activity results in the purchase and creation of assets by non-profit societies, ministries of the provincial government, and PRHC. As such, the value of these assets is recorded on the balance sheet of the entity that owns the completed building and/or land.

During the year, the Development Services Branch generated construction activity as follows:

	1999 ($000's)	1998 ($000's)
Non-profit Construction Advances	$ 86,205	$ 110,536
Group Homes Completed /Projects Directly Delivered	13,018	12,230
Construction in Progress	1,726	1,709
Land Purchases	22,520	16,151
Land Disposals	25	4,409
Total Construction Activity	$ 123,494	$ 145,035

16. UNCERTAINTY DUE TO YEAR 2000 ISSUE

Most entities depend on computerized systems and, therefore, are exposed to the Year 2000 conversion risk, which, if not properly addressed, could affect an entity's ability to conduct normal business operations. Management is addressing this issue; however, given the nature of this risk, it is not possible to be certain that all aspects of the Year 2000 issue affecting the Commission and those with whom it deals such as customers, suppliers, or other third parties, will be fully resolved without adverse impact on the Commission's operations.

17. Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from these estimates.

18. Financial Instruments

The Commission's financial instruments consist of cash and equivalents, accounts receivable and current liabilities. It is management's opinion that the Commission is not exposed to significant interest, currency or credit risks arising from these financial instruments. The fair value of these instruments approximate their carrying values.

BRITISH COLUMBIA HOUSING MANAGEMENT COMMISSION
Schedule 1
Expenditures and Revenue by Program
For the year ended March 31, 1999

	Federal/Provincial Cost Shared								
	Directly Managed				Non-Profit	Wholly Provincial Cost			
	Cost Share 75/25 (s79)	Cost Share 50/50 (s82)	Rent Supplement (s82(1)(a))	Rent Supplement (s82(1)(b))	Fed/Prov Housing (s95)I	Group Homes	Homes BC	Other Programs	Total
	1999 ($000's)	1999 ($000's)	1999 ($000's)	1999 ($000's)	1999 ($000's)	1999 ($000's)	1999 ($000's)	1999 ($000's)	1999 ($000's)
Expenditures:									
Housing subsidies	$ (2)	$ 2	$ 1,544	$ 6,061	$ 76,492	$ 1,380	$ 15,572	$ 28,325	$129,374
Salaries and labour	8,873	2,738	409	338	1,578	1,486	2,878	1,391	19,691
Building mortgage costs	7,566	5,456	0	0	0	0	0	0	13,022
Building modernization and improvement	5,134	2,454	164	1	2,001	151	256	1,103	11,264
Building maintenance	3,454	1,479	131	22	976	507	415	438	7,422
Utilities	3,531	948	74	0	519	283	50	146	5,551
Operating expenses	2,513	1,054	150	(10)	600	410	610	267	5,594
Office and overhead	1,374	464	75	134	1,008	440	777	944	5,216
Grants in lieu of property taxes	2,355	1,009	18	0	421	263	156	317	4,539
Interest expense	46	9	41	18	246	0	0	1,200	1,560
	34,844	15,613	2,606	6,564	83,841	4,920	20,714	34,131	203,233
Revenue:									
Provincial contribution	3,101	3,381	995	3,229	27,450	2,961	16,770	38,697	96,584
Federal contribution	11,038	4,115	1,099	3,044	53,471	0	0	426	73,193
Tenant rent	18,967	7,007	398	0	1,373	30	1,258	1,136	30,169
Sundry	212	58	20	0	165	1,815	64	4,085	6,419
	33,318	14,561	2,512	6,273	82,459	4,806	18,092	44,344	206,365
Excess of Revenue over Expenditures	$ (1,526)	$ (1,052)	$ (94)	$ (291)	$ (1,382)	$ (114)	$ (2,622)	$ 10,213	$ 3,132

Provincial Rental Housing Corporation Financial Statements

As at March 31, 1999 and 1998
Together with Auditors' Report

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Auditors' Report

To the Shareholder of the
Provincial Rental Housing Corporation

We have audited the balance sheets of the Provincial Rental Housing Corporation (the "Corporation") as at March 31, 1999 and 1998 and the statements of revenue and expenditures and deficit and changes in financial position for the years then ended. These financial statements are the responsibility of the Corporation's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the Corporation as at March 31, 1999 and 1998 and the results of its operations and the changes in its financial position for the years then ended in accordance with generally accepted accounting principles. As required by the British Columbia Company Act, we report that, in our opinion, these principles have been applied, on a consistent basis.

Arthur Andersen LLP

Vancouver, British Columbia

May 15, 1999

PROVINCIAL RENTAL HOUSING CORPORATION

Statement of Management Responsibility

The financial statements of the Provincial Rental Housing Corporation (the "Corporation") have been prepared by management in accordance with generally accepted accounting principles consistently applied and appropriate in the circumstances. The financial statements have, in management's opinion, been properly prepared within reasonable limits of materiality and within the framework of the accounting policies summarized in the notes to financial statements.

Management depends upon a system of internal controls that provide reasonable assurance, on a cost effective basis, that the financial information is reliable and accurate. The system of internal controls is monitored by internal auditors. Also, the Corporation's external auditors independently perform such tests of the system of internal controls as they consider necessary for the purpose of expressing their opinion on the financial statements.

The Audit and Finance Committee, which is comprised of Directors of the British Columbia Housing Management Commission, oversees management's discharge of its financial reporting responsibilities. The committee meets periodically with management, the internal auditors and the external auditors to discuss auditing, financial reporting and internal control matters. Both internal and external auditors have access to the Audit and Finance Committee without management's presence.

Peter Robinson
CEO

Janet Flowers
A/Director, Financial Services

May 15, 1999

PROVINCIAL RENTAL HOUSING CORPORATION
Balance Sheets
As at March 31, 1999 and 1998

	1999 ($000's)	1998 ($000's)
ASSETS		
Investment in properties (note 3)	$ 331,233	$ 300,217
Due from British Columbia Housing Management Commission (note 4)	–	14,454
Debenture subsidy receivable	1,852	1,850
Term deposits	1	129
Cash	1	1
	$ 333,087	$ 316,651
LIABILITIES		
Long-term debt (note 5)	$ 138,943	$ 125,414
Unearned lease revenue	88,572	79,178
Funding in advance of construction (note 6)	4,461	20,826
Due to British Columbia Housing Management Commission (note 4)	3,118	–
Interest payable	784	880
	235,878	226,298
SHAREHOLDER'S EQUITY		
Share capital		
Authorized: 10,000 common shares, no par value		
Issued: 3 common shares at $1 each	–	–
Contributed surplus	82,441	82,441
Property acquisition contribution (note 7)	20,670	17,584
Accumulated deficit	(5,902)	(9,672)
	97,209	90,353
	$ 333,087	$ 316,651

The accompanying notes are an integral part of these financial statements.

Approved by the Board:

Director

Director

PROVINCIAL RENTAL HOUSING CORPORATION
Statements of Revenue and Expenditures and Deficit
For the years ended March 31, 1999 and 1998

	1999 ($000's)	1998 ($000's)
Revenue		
Directly managed debenture subsidy	$ 7,404	$ 7,402
Group home mortgage subsidy	9,454	6,147
Lease revenue	2,298	1,524
	19,156	15,073
Expenditures		
Depreciation	5,344	5,272
Interest on long-term debt	10,042	8,971
	15,386	14,243
Excess of revenue over expenditures	3,770	830
Accumulated Deficit		
Balance, beginning of year	(9,672)	(10,502)
Balance, end of year	$ (5,902)	$ (9,672)

The accompanying notes are an integral part of these financial statements.

PROVINCIAL RENTAL HOUSING CORPORATION
Statements of Changes in Financial Position
For the years ended March 31, 1999 and 1998

	1999 ($000's)	1998 ($000's)
Cash provided from (used in):		
Operating activities		
Excess of revenue over expenditures	$ 3,770	$ 830
Depreciation	5,344	5,272
Changes in non-cash operating working capital	9,296	(462)
Cash provided by operating activities	18,410	5,640
Investing activities		
Property acquisition	(36,360)	(18,927)
Term deposits	128	654
Cash used in investing activities	(36,232)	(18,273)
Financing activities		
Funding in advance of construction	(16,365)	26
Long-term debt	13,529	7,876
Property acquisition contribution (note 7)	3,086	14,189
Due to/from British Columbia Housing Management Commission	17,572	(9,458)
Cash provided by financing activities	17,822	12,633
Change in cash position during the year	–	–
Cash position, beginning of year	1	1
Cash position, end of year	$ 1	$ 1

The accompanying notes are an integral part of these financial statements.

PROVINCIAL RENTAL HOUSING CORPORATION
Notes to Financial Statements
For the years ended March 31, 1999 and 1998

1. General

The Provincial Rental Housing Corporation (the "Corporation") was incorporated under the Company Act of the Province of British Columbia in 1961. The Corporation is wholly owned by the Province, and is an agent of the Crown.

The Corporation holds property for social and other low cost housing for the Province. It also holds land under long-term leases to non-profit societies. The subsidized rental housing units of the Corporation are managed and operated by the British Columbia Housing Management Commission (the "Commission"), which records the related rental revenue and is responsible for all of the operating and administrative activities and related costs.

2. Significant Accounting Policies

a) Investment in properties

The Corporation capitalizes its investment in properties at cost and depreciates its buildings on a straight-line basis over 25 years.

b) Insurance

The Corporation does not insure its rental housing properties. Instead property losses are compensated for by the Province through the Commission and, for certain properties, by the Canada Mortgage and Housing Corporation ("CMHC").

c) Directly managed debenture subsidy

Directly managed debenture subsidy represents funds received from the Commission for the principal and interest costs of the long-term debt related to directly managed properties.

d) Group home mortgage subsidy

Group home mortgage subsidy represents the funds received from the Commission for mortgage payments to chartered banks and CMHC and is recorded on the accrual method.

e) Administration and financing

The Commission acts as agent in administering and financing the operations and capital projects of the Corporation. No administration costs are charged to the Corporation for such services performed, and accordingly any interest earned by the Corporation is recorded by the Commission.

f) Property leases

The Corporation leases property used for housing projects to non-profit societies. These sixty year leases are prepaid by the non-profit societies when the housing projects are completed and ready for occupancy. The Corporation amortizes the lease revenue over the term of lease and records the unearned portion as unearned lease revenue.

g) Net proceeds on property replacements

From time to time, the Corporation disposes of property purchased for social housing projects that cannot proceed due to difficulties with the site. The proceeds from these sales are applied against the cost of purchasing alternate sites. Any surplus or deficiency is charged to property acquisition contribution.

h) Construction grants from the Province

For some social housing projects and group homes, the Province provides grants to the Corporation for a portion of the construction costs. The Corporation records the construction grants as property acquisition contribution when the projects are completed.

3. Investment in Properties

	Historical Cost	1999 ($000's) Accumulated Depreciation	Net Book Value	1998 ($000's) Net Book Value
Land	$ 259,408	$ –	$ 259,408	$ 236,637
Buildings	141,476	70,673	70,803	63,063
Construction in progress	1,022		1,022	517
Total	$ 401,906	$ 70,673	$ 331,233	$ 300,217

4. Due to/from British Columbia Housing Management Commission

This balance represents cumulative land acquisition, development and funding transactions where the Commission acted as agent for the Corporation. This amount is unsecured and bears no interest.

5. Long-term Debt

	1999 ($000's)	1998 ($000's)
Province		
9.75% debenture repayable on demand and secured by a floating charge on all property, and other assets and undertakings of the Corporation	$ –	$ 3,216
CMHC		
Debenture mortgages repayable at the end of each year, over terms of up to 50 years maturing between the years 2027 and 2038, bearing interest at rates from 6.45% to 8.20% and secured by unregistered first mortgages on certain properties of the Corporation with a historical cost of $56,004,563	42,177	42,647
Chartered banks and CMHC		
Mortgages repayable monthly over terms of up to 35 years bearing interest at rates from 5.0% to 9.8%, and secured by registered first mortgages on various properties of the Corporation	96,766	79,551
	$ 138,943	$ 125,414

The aggregate repayment of principal required to meet total debt obligations in each of the next five fiscal years is estimated to be as follows:

	($000)
2000	$ 17,102
2001	18,259
2002	16,906
2003	23,932
2004	26,397
Thereafter	36,347
	$ 138,943

6. Funding in Advance of Construction

This balance represents construction funding received or committed by other Provincial ministries in advance of property acquisition and construction of non-profit housing and group homes. Interest does not accrue on funds received.

7. Property Acquisition Contribution

	1999 ($000's)	1998 ($000's)
Property acquisition contribution, beginning of year	$ 17,584	$ 3,395
Net proceeds on property replacements	1,186	786
Net receipts from the Province	3,078	13,403
Dividend	(1,178)	–
Property acquisition contribution, end of year	$ 20,670	$ 17,584

8. UNCERTAINTY DUE TO YEAR 2000 ISSUE

Most entities depend on computerized systems and, therefore, are exposed to the Year 2000 conversion risk, which, if not properly addressed, could affect an entity's ability to conduct normal business operations. Management is addressing this issue; however, given the nature of this risk, it is not possible to be certain that all aspects of the Year 2000 Issue affecting the Commission and those with whom it deals such as customers, suppliers, or other third parties, will be fully resolved without adverse impact on the Commission's operations.

9. Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from these estimates.

10. Financial Instruments

The corporation's financial instruments consist of cash and equivalents, accounts receivable and payables. It is management's opinion that the Corporation is not exposed to significant interest, currency or credit risks arising from these financial instruments. The fair value of these instruments approximate their carrying values.

PUBLICATIONS AVAILABLE FROM BC HOUSING

To order any of these publications, or to get more information, visit BC Housing at www.bchousing.org, or contact the nearest BC Housing office.

General Information Publications

Annual Report

Applying for Social Housing in British Columbia

- Also available in Chinese, Czechoslovakian, French, Persian, Punjabi, Somalian, Spanish, Vietnamese

Introducing BC Housing

Shelter Aid for Elderly Renters (SAFER) Application and Guide

Tenant Handbook

Wheelchair Housing Registry

Development Publications

Community Housing Initiatives Application Guidelines

Introduction to HOMES BC Development Opportunities

HOMES BC Non-profit Development Guidelines

Non-profit Societies and Co-ops Publications

Non-profit Guide series

- Corporate Responsibilities Guide
- Emergency Preparedness Guide
- Financial Responsibilities Guide
  - Financial Reporting Requirements
  - Deferral with Fund Accounting – Sample Financial Statements
- Housing Programs Guide
- Maintenance Guide
- Rent Calculation Guide
- Resident Relations Guide

Resident Involvement Kit

Tools for HOMES BC Operators

Affordable Housing Opens Doors

Boxed set of six videos

Fact sheets

- Affordable Housing in British Columbia
- Myths and Attitudes about Social Housing
- The Facts on Special Needs Housing
- The Facts on Homelessness
- The Facts on Housing Need
- Working Toward Solutions

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